

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF POWELL S VALLEY	)	
WATER DISTRICT OF POWELL COUNTY,	)	
KENTUCKY, FOR A CERTIFICATE OF PUBLIC	)	CASE NO.
CONVENIENCE AND NECESSITY TO	)	2002-00173
CONSTRUCT, FINANCE AND ESTABLISH RATES	)	
PURSUANT TO KRS 278.023	)	

O R D E R

On May 16, 2002, Powell s Valley Water District ( Powell s Valley District ) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and establish rates for a new \$1,815,000 wastewater collection and treatment project to serve 69 new customers. This project consists of the construction of a .08 million gallon per day activated sludge process wastewater treatment plant, 12,914 linear feet of 8-inch sanitary sewers, 13,700 linear feet of force mains, three lift stations, two duplex grinder pump stations and 13 simplex grinder pump stations. Project funding consists of a \$300,000 loan from the U.S. Department of Agriculture s Rural Development ( RD ), a \$700,000 grant from the RD, a \$250,000 grant from the Kentucky Transportation Cabinet, a \$500,000 grant from the Appalachian Regional Commission and a \$65,000 contribution from the applicant.

Powell s Valley District s application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and

to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in the case on May 16, 2002, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Powell s Valley District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Powell s Valley District s proposed plan of financing with RD is accepted.

3. Powell s Valley District is authorized to issue bonds not to exceed \$300,000.

4. Powell s Valley District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Powell s Valley District shall file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Powell s Valley District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

8. Powell s Valley District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

9. Three years from the effective date of this Order, Powell s Valley District shall file an income statement, along with any pro forma adjustments, in sufficient detail to

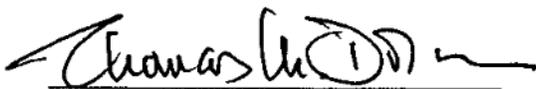
demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of June, 2002.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2002-00173 DATED June 12, 2002

The following rates and charges are prescribed for the customers in the area served by Powell s Valley Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Sewer Rates

First	2,000 gallons	\$ 15.00	Minimum bill
All Over	2,000 gallons	6.00	per 1,000 gallons